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Long-term programme of support for Haiti

Report of the Secretary-General**

Summary

The present report is submitted pursuant to Economic and Social Council resolution 2001/25 of 26 July 2001, in which the Council requested the Secretary-General to report to it at its substantive session of 2002 on progress achieved in elaborating a long-term programme of support for Haiti and on the practical modalities for its implementation.

The report provides an overview of the situation in Haiti since 2001, including the political and institutional crisis that the country is going through and its repercussions on the general economic situation and on the decline of official development assistance.

In spite of this difficult context, the Resident Coordinator and the United Nations country team have continued to provide assistance in various fields, such as governance and the rule of law, in the framework of transition activities following the International Civilian Support Mission in Haiti, as well as poverty reduction and HIV/AIDS. The report provides information on these activities and on progress made in the elaboration of a long-term programme of support for Haiti, including an update on the United Nations Development Framework and the Poverty Reduction Strategy Paper.

* E/2002/100.

** The document was submitted late to the conference services without the explanation required under paragraph 8 of General Assembly resolution 53/208 B, by which the Assembly decided that, if a report is submitted late, the reason should be included in a footnote to the document.

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Introduction

1. Following the invitation by the Security Council to promote sustainable development in Haiti,[1] the Economic and Social Council, in its resolution 1999/4 of 7 May 1999, created an Ad Hoc Advisory Group on Haiti. The Group undertook an assessment mission to that country, conducted wide-ranging consultations and presented its recommendations to the Council (see E/1999/103).

2. In its resolution 1999/11 of 27 July 1999, the Economic and Social Council, building upon the recommendations of its Ad Hoc Advisory Group, requested the Secretary-General, in consultation with the Government of Haiti, to take the necessary steps to develop on a priority basis a long-term strategy and programme of support for Haiti. The Secretary-General was also requested to report on the implementation of this programme to the Council at its substantive session of 2000.

3. Subsequently, reports on the status of the implementation of the long-term programme of support for Haiti were presented to the Council at its 2000 and 2001 substantive sessions (see E/2000/63 and E/2001/67). In its resolution 2001/25 of 26 July 2001, the Council requested the Secretary-General to report to it at its substantive session of 2002 on progress achieved in elaborating a long-term programme of support for Haiti and on the practical modalities for its implementation.

I. General national and economic context

National political and security context

4. Following the contested May 2000 legislative and local elections that resulted in a victory for the ruling Famni Lavalas party, Haiti's prolonged political and economic crisis has deepened, further polarizing its political class and civil society. The Organization of American States (OAS), the Caribbean Community (CARICOM), the European Union, the United Nations and the Secretary-General's Group of Friends for Haiti expressed their deep concerns to the Government of Haiti and stated that the non-resolution of electoral irregularities would have an impact on the country's eligibility for official development assistance (ODA) and its rechannelling through non-governmental organizations (NGOs). The November 2000 presidential elections proceeded despite an opposition boycott and the absence of official international assistance. The elections were characterized by a pre-electoral climate of violence and intimidation, and while the Provisional Electoral Council claimed voter turnout was around 60 per cent, independent sources reported a rate of 10 to 20 per cent. Jean-Bertrand Aristide was elected and took office as President for the second time in February 2001. On 1 March 2001, the Parliament approved his nominee for Prime Minister, Jean-Marie Chérestal, who resigned under criticism of his administration in January 2002. A new Prime Minister, Yvon Neptune, was sworn into office in March 2002 with a mandate to seek a resolution to the political crisis. He has since appointed a Minister responsible for facilitating dialogue and the negotiation process with the opposition.

5. The year 2001 was marked by several major security incidents in Haiti, including assaults against the Police Academy in July 2001 and against the Presidential Palace on 17 December 2001, followed, in both cases, by violence against opposition members and the media. A prison riot in the National Penitentiary in November 2001 was violently suppressed. President Aristide's "zero tolerance" policy on crime has led to increasingly repressive security measures. The general human rights situation continued to deteriorate in 2001, with growing intimidation and attacks on journalists and human rights activists. In his final report of March 2001 to the Commission on Human Rights (E/CN.4/2001/106), the outgoing independent expert on the situation of human rights in Haiti, Adama Dieng, deplored the deterioration of the administration of justice and found that the situation of political polarization was creating a breeding ground for daily violence. In March 2002, the Secretary-General appointed a new independent expert on the situation of human rights in Haiti, Louis Joinet.

6. Following the closure of the International Civilian Support Mission in Haiti (MICAH) in February 2001 and the departure of the Special Representative of the Secretary-General for Haiti, OAS has taken the lead responsibility for providing international support for the negotiation process between the ruling party and Democratic Convergence (a 15-member opposition party coalition) on reaching

an agreement to end the political crisis. Numerous good offices and mediation missions, headed either by the Secretary-General or the Assistant Secretary-General of OAS, took place throughout 2001. However, little progress was made. On 5 June 2001, the General Assembly of OAS adopted resolution AG/RES.1831 (XXI-0/01), entitled "Support for democracy in Haiti", in which the Assembly called upon the parties to commit themselves to the resolution of the crisis. The resolution also invited the Secretary-General of OAS to establish a Group of Friends of Haiti from among interested OAS member States and permanent observers in order to assist him in his efforts. The Group of Friends was established in September 2001.

7. On 16 January 2002, the Permanent Council of OAS adopted resolution CP/RES.806 (1303/02), entitled "The situation in Haiti", in which it called for the restoration of a climate of security necessary for resuming political negotiations, including a thorough and independent inquiry into the events related to 17 December 2001, and decided to establish an OAS mission for strengthening democracy in Haiti. Pursuant to that resolution, the Government of Haiti transmitted an official invitation to the Inter-American Commission on Human Rights to undertake an on-site visit to consult with civil society, political parties and the Government in order to assess the human rights situation in Haiti. A preliminary delegation went to Haiti from 19 to 22 February 2002. On 1 March 2002, an agreement between OAS and the Government of Haiti was concluded on the mission's mandate, which would cover security, justice, human rights and the development of democracy, good governance, and institution-building. A commission of independent investigators arrived in Haiti at the beginning of April 2002 to start inquiring into the events related to 17 December 2001 and the full mission was expected to set up its operations by the end of April 2002.

8. Meanwhile, there has been noticeable improvement in the relations between Haiti and the Dominican Republic. The international Hispaniola Fund was conceived to re-direct debt relief from bilateral donors towards Haitian-Dominican bilateral development projects, focusing in particular on the alleviation of poverty within border zones. Several official exchanges and meetings of high-level delegations were held throughout the year, leading to a presidential summit on 16 January 2002. On 8 April 2002, Haitian President Jean-Bertrand Aristide and Dominican President Hipólito Mejía made a joint announcement on the creation of a free trade border zone between the two countries.

General economic situation since 2001

9. The deepening of the political crisis and the significant withdrawal of foreign aid to Haiti has contributed to a deterioration of the economic situation since the summer of 2001. Almost all macroeconomic indicators are in the red. The International Monetary Fund (IMF) reported that it had not been able to conclude discussions with the Haitian authorities on a staff-monitored programme for Haitian fiscal year 2001-2002 (ending on 30 September). The Haitian gourde has fallen to an exchange rate of approximately G26:US$ 1 (from around G20:US$ 1 in 2000, and G16:US$ 1 in 1997). However, because of a contraction in demand, the average inflation rate has been moderate (12 per cent, against 19 per cent in 2000) and fell to approximately 8 per cent in December 2001, partly reflecting the very weak state of the economy. Economic growth was negative in 2001 (-1.7 per cent, against 1.2 per cent in 2000) and the informal sector has continued to expand. The availability and quality of basic social services continued to degrade, while the budget deficit financed by the Central Bank increased from G1.99 billion to G2.25 billion. However, the previous years' trend of diminishing public revenues was slightly reversed and public revenues as a percentage of gross domestic product increased in 2001. In July 2001, CARICOM inaugurated an office in Haiti to provide assistance for the country's integration into the Caribbean common market.

10. The brunt of the worsening political and economic crisis is being borne by the poor in Haiti. In its Human Development Report 2001, the United Nations Development Programme (UNDP) estimated Haiti's human development index to be 0.467, far below the regional average of 0.760 for Latin America and the Caribbean. About one half of the Haitian population lives in income poverty and suffers from food insecurity, while 30 per cent lives under conditions of extreme poverty. About three quarters of the poor (both in terms of income and extreme poverty) live in rural areas.

11. Citing research on governance and social justice in the Caribbean, the World Bank suggests that Haiti is an extreme case of a country caught in a vicious circle in which unemployment, inequality and poor education feed into lawlessness and violence, making it difficult for the economy to grow and create jobs, thus perpetuating the unemployment and inequality. Low public sector capacity is another serious obstacle to aid absorption. Haiti also suffers from basic structural impediments to development, including lack or poor quality of basic education, severely weak infrastructures and environmental degradation, as well as significant urban migration.[2]

Official development assistance to Haiti

12. The absence of progress in the political negotiations and the lack of legislative legitimacy following the contested elections have had increasingly adverse effects on the country's eligibility for official development assistance. Combined ODA for Haiti continued to fall to an estimated $225 million in fiscal year 2000/2001, almost half of that disbursed in fiscal year 1997/1998. Furthermore, it is projected to decline further to an estimated $138 million in fiscal year 2001/2002.[3] World Bank lending has been blocked since 1997 and its remaining projects have been cancelled.[4] Permanent World Bank representation was withdrawn from the country in June 2001 and since then, the Bank has managed its limited engagements in Haiti through a liaison office based in the Dominican Republic. The Inter-American Development Bank has also significantly reduced its disbursements. The European Union and all major bilateral cooperation agencies have reduced their development assistance and largely rechannelled funding through NGOs and civil society organizations.

13. In a recent assessment of its assistance to Haiti from 1986 to 2001, the World Bank has concluded that, based on both its impact and the ratings of its individual components, the outcome of its assistance programme has been unsatisfactory, the institutional development impact, negligible and the sustainability of the few benefits that have accrued, unlikely. Its analysis concludes that, until recently, the Bank and other donors offered traditional assistance programmes without first addressing fundamental governance problems and political barriers to development, including an extremely fragile absorptive capacity.[5]

14. During a Haiti Contact Group meeting chaired by the World Bank in February 2002, three conditions were established by donors for the re-engagement of development assistance in Haiti: (1) resolution of the political crisis in a manner satisfactory to OAS; (2) establishment of a track record of prudent macroeconomic management, as demonstrated by at least six months of adherence to a staff-monitored programme with IMF; and (3) demonstration of commitment to good governance through reforms in public expenditure management and in sectors key to sustainable development and poverty reduction.

15. In contrast, while supporting calls for resolution of the political crisis in Haiti and efforts made by the OAS in this regard, CARICOM has urged the international community to release development aid to Haiti on less conditional terms. Following a CARICOM special mission to Haiti, which took place from 28 to 31 January 2002, the heads of Government of CARICOM countries urged the international community to release funds to Haiti in view of the steps taken by the Government of Haiti to establish an environment of confidence in Haiti. They called for the use of these funds initially to support the strengthening of the democratic pillars of governance as well as to provide humanitarian relief to the population, particularly in the fields of education and health.

II. Overview of United Nations system development activities

Role of the Resident Coordinator

16. The outgoing Resident Coordinator was reassigned and withdrew from his functions in Haiti in July 2001. In August 2001, the candidacy of a new Resident Coordinator was presented to the Haitian Government, which gave its approval in December 2001. In the meantime, a serious crisis developed rapidly in the country posting of the designated Resident Coordinator, preventing him from taking up his duties in Haiti. He is now expected to enter on duty in Haiti in June 2002. The representatives of the United Nations Children's Fund (UNICEF) and the United Nations Population Fund (UNFPA) have in turn assumed interim responsibility for the functions of

Resident Coordinator, while the representative of the Food and Agriculture Organization of the United Nations (FAO) has acted as interim Designated Security Official.

17. Prior to his departure, the outgoing Resident Coordinator had placed significant emphasis on the completion of the United Nations Development Assistance Framework (UNDAF) document and its approval by the Haitian Government. Following the termination of the MICAH mandate in February 2001, he focused on the implementation of mechanisms for ensuring a smooth and efficient post-MICAH transition.

18. Since July 2001, there have been several important initiatives established under the leadership of the two successive interim Resident Coordinators. These include the organization of a coordination meeting between the United Nations country teams of Haiti and the Dominican Republic in October 2001 and the preparation of the United Nations coordination work plan for the year 2002 with a focus on the implementation of UNDAF. Owing to its special role in the post-MICAH transition phase and its responsibility for providing a degree of institutional memory to the United Nations system in Haiti, UNDP has continued to follow the development of the political situation, in particular through regular contact with OAS and, since March 2002, as an observer to the OAS Group of Friends. UNDP also participated in the Haiti Contact Group meeting organized by the World Bank in Washington, D.C., in February 2002.

Role of UNDP in post-MICAH activities

19. In his report dated 9 November 2000 (A/55/618), the Secretary-General recommended that, while MICAH was closing business, UNDP should ensure a transition in the field of the consolidation of the rule of law. The Security Council, in a press release of 13 February 2001, also called for such an involvement. Building upon the achievements of the Mission, UNDP prepared a post-MICAH transition programme, aimed at strengthening the rule of law and supporting justice reform, access to justice and the promotion of human rights. This programme was officially approved by the Government of Haiti in April 2001 and presented to the UNDP international development partners in New York that same month.

20. The closure of MICAH and the gradual implementation of the UNDP transition programme took place under difficult circumstances, marked by (i) a worsening of the electoral and political crisis in Haiti, with increased polarization of the different political actors; (ii) in response, a sharp drop in ODA budgets and/or their redirection through NGOs and civil society organizations; and (iii) the near complete withdrawal of bilateral donors' support to the rule of law area. The post-MICAH transition programme was launched without the allocation of any additional resources. It has therefore proved impossible to implement the full range of activities originally foreseen. However, since then, UNDP has secured some additional funding and support from Canada, Sweden and the United Nations Volunteers. In parallel, a six-month project was initiated jointly with the Office of the United Nations High Commissioner for Human Rights to assess the human rights situation in Haiti.

21. The principal results achieved to date within the UNDP post-MICAH transition programme include the following:

- **Justice**: completion of a needs assessment of the Ministry of Justice and Public Security; provision of support for the elaboration of internal regulations and of an organic law for the ministry; completion of a chronological index of all legislation adopted since 1804; establishment of pilot support programmes in three regional jurisdictions; establishment of a commission for the strengthening of the penal chain; provision of support for the strengthening of the civil registry system; completion of a study on Haitian customary law;
- **Ombudsman Office (Office de la protection du citoyen)**: provision of support for the drafting of an organic law for the Ombudsman Office and for the preparation of a strategic development plan; training of Office managers and staff;
- **Civil society**: provision of support for the establishment of a coordinating committee regrouping major human rights organizations; capacity-building of these organizations;
- **Reform of prison administration**: provision of support for the operationalization of a system of internal regulations; continued training of penitentiary agents; strengthening of information management systems;

- **Preservation of institutional memory**: organization and filing of documents of the International Civilian Mission in Haiti and of MICAH.

Activities in support of the Haitian National Police were suspended in January 2002. These activities had been developed in coordination with those of other bilateral and multilateral partners and were ceased as a result of the withdrawal of MICAH and of the principal bilateral partners from the National Police.

22. A system of coordination of programmes and activities should now be established between UNDP and the new special mission of OAS to strengthen democracy in Haiti.

Main activities carried out by United Nations agencies

23. During 2001, UNDP prepared a new country cooperation framework for the years 2002-2006, establishing three main programming areas: governance, poverty and environment. In the area of governance, UNDP has continued to support the strengthening of the rule of law and justice reform in Haiti in the framework of the post-MICAH transition programme. It has also maintained support to the development of a national decentralization programme and, together with the United Nations Capital Development Fund, has supported a pilot project in local governance in the North-Eastern Department.

24. In the area of poverty reduction and in cooperation with the International Labour Organization, UNDP supported a national programme for the promotion of productive employment and combating social exclusion, which provided assistance for microfinance projects. In 2001, UNDP also continued its work on a national Living Standards Survey, due for release in 2002, and undertook the preparation of a national Human Development Report for the first time. Under its environment programme, UNDP continued its support to the development of national environmental action and disaster management plans.

25. In 2001, FAO continued to implement its Special Programme for Food Security in Haiti, which included the dissemination of appropriate technology that significantly increased yields of food staples and related revenues. In collaboration with the World Food Programme (WFP), FAO continued its support for watershed planning as well as the restoration and conservation of natural resources. FAO also continued its capacity-building efforts in support of national regulation of the import and export of food products.

26. WFP carried out an evaluation of its ongoing Country Programme and prepared a new Country Strategy Outline, presented to its Executive Board in October 2001. A four-day workshop on WFP policy on food aid and development took place during the reporting period, with the participation of United Nations agencies, government officials and NGO counterparts. WFP also organized a round table on girls' education and two workshops on gender issues.

27. UNFPA was engaged in programming for maternal mortality and reproductive health activities, including support for the elaboration of reproductive health indicators. It has also provided capacity-building to improve the collection, analysis, monitoring and dissemination of basic population and development data. UNFPA provided support for the development of various national plans, including health reform and HIV/AIDS. In coordination with UNICEF, UNFPA supported a project to reduce maternal transmission of HIV/AIDS. It also worked with the Ministry of Women's Affairs in the development of a gender mainstreaming strategy.

28. UNICEF and the World Health Organization/Pan American Health Organization (WHO/PAHO) coordinated a successful national immunization campaign during 2001 in which over 3 million children from 0 to 9 years of age were vaccinated against polio and measles. UNICEF, WHO/PAHO and UNFPA also supported the development of a National Strategy on Childhood Diseases. All resident United Nations agencies assisted with national preparations for the Special Session of the United Nations General Assembly on HIV/AIDS and participated in the development of a National HIV/AIDS Strategy. Among other activities, essential medicines and prophylactics have been provided to government agencies and NGOs operating in impoverished urban and rural areas for distribution to marginalized populations.

29. The United Nations Educational, Scientific and Cultural Organization and UNICEF provided support for the development of a national "Education For All" action plan and, in cooperation with UNFPA, for the development of a sexual and reproductive health

curriculum for primary and secondary schools. WHO/PAHO, UNFPA, UNDP, WFP and UNICEF participated in a regional conference on domestic violence in December 2001.

30. In November 2001, in coordination with UNDP, the Office of the High Commissioner for Human Rights established a six-month mission for assistance to Haiti in the field of human rights, which includes the provision of technical assistance and the completion of a needs assessment for institutional capacity-building and human rights monitoring in Haiti.

III. Progress towards the elaboration of a long-term programme of support

Status of UNDAF

31. Following a consultation process undertaken with a range of development partners, including all resident agencies of the United Nations system, the UNDAF document was presented to the Haitian Government, which gave its approval before publication in June 2001. The document was also presented to the bilateral and multilateral aid agencies.

32. The overall objective of UNDAF, which serves as a guideline for the assistance provided by the United Nations system to Haiti during the period 2002-2006, is to promote sustainable human development by combating poverty and social exclusion, by strengthening the rule of law and through the promotion, respect and protection of human rights. During this period, the United Nations system in Haiti will concentrate its efforts on the implementation of three overarching programmes:

(a) Governance, with the objective of contributing towards the democratization of society at both the national and grass-roots levels;

(b) Basic social services, with the objective of improving the living conditions of the population as a result of the provision of increased opportunities that expand the potential and capabilities for human development;

(c) Food security and sustainable rural development, with the objective of contributing to the food security of the population within the framework of sustainable rural development.

33. The United Nations country team developed an UNDAF implementation and monitoring mechanism that foresees the creation of a steering committee, a coordination team and three technical units. This mechanism was approved by the country team in September 2001 and is in the process of being established. Inter-agency operational coordination mechanisms will be established following the identification and approval of joint programming areas, while respecting the geographic intervention areas identified in the UNDAF document.

34. In parallel with the launch and implementation of UNDAF and following General Assembly resolutions 47/199 and 50/120, the agencies of the United Nations Development Group have harmonized their programming cycles to conform to the 2002-2006 UNDAF period.

The World Bank/IMF and the Poverty Reduction Strategy Paper

35. It is recalled that in mid-2000, the Government of Haiti, IMF and the World Bank began discussion on the preparation of an interim Poverty Reduction Strategy Paper (PRSP) that would have supported the collection and processing of information needed to launch the formulation of a comprehensive PRSP. This process became stalled in part owing to the inability of the World Bank and the Government to agree on reforms in public expenditure management in sectors key to sustainable development and poverty reduction. The exploratory mission of IMF and the World Bank, initially planned for the summer of 2000, did not take place because of the unresolved political and electoral crisis. Given the dearth of social statistics in Haiti and the time required to collect them and thus to be able to define the detailed indicators and benchmarks for the PRSP, IMF and the World Bank estimated that the formulation of a comprehensive PRSP would only be possible within two years' time, after a poverty assessment has been carried out to identify the basic data.

36. In the meantime, there has been an improvement in the available data on which to develop a PRSP as a result of the completion of a national household budget survey in 2000 and a national household living standards survey in 2001. UNDP has provided assistance to the National Institute of Statistics of Haiti to reorganize the social data available in the statistical

units of several ministries. From these surveys, many relevant indices have been developed, including the human and income poverty indices as well as poverty lines, which are elements required for a more complete poverty assessment. The Government itself has tried to develop a poverty map on the basis of information drawn from the field and is preparing the general census that will update data going back to 1981. The Government also conducted a series of national consultations on a draft country strategy. At a Contact Group meeting in February 2002, donors agreed that the technical work to gather data on poverty and social indicators should continue and, in this context, expressed support for a World Bank poverty monitoring mission conducted at the end of February 2002.

37. These initiatives also build on the findings of the United Nations-led Common Country Assessment, completed in October 2000, especially with regard to governance and poverty reduction.

IV. Observations

38. As it has previously been stressed in reports submitted to the Council on the same agenda sub-item (E/2000/63 and E/2001/67), the resolution of the political, electoral and institutional crisis existing in Haiti since 1997 is a prerequisite for the formulation and implementation of a long-term programme of support with the Government.

39. The resident agencies of the United Nations have completed the Common Country Assessment and the United Nations Development Assistance Framework in Haiti, which are important tools for any long-term development plan. However, the current political context and the continued decline of official development assistance to Haiti prevent any significant additional step forward in this process.

40. Efforts currently made by OAS to assist the Government of Haiti in bringing an end to this crisis may open the way for a more favourable environment for international assistance to Haiti. The consideration of a long-term programme of support by international development partners very much depends on the outcome of this initiative.

V. Recommendations

41. **In view of the foregoing, the Economic and Social Council may wish to consider whether it should continue to be kept regularly informed of progress achieved in the elaboration of a long-term programme of support to Haiti or decide to subordinate its consideration of the matter to positive developments in the political situation of the country.**

Notes

[1] See Security Council resolution 1212 (1998) of 25 November 1998.

[2] World Bank, Haiti: Country Assistance Evaluation, Operations Evaluations Department, 22 January 2002.

[3] World Bank, Red Book, draft 2001.

[4] World Bank, Fast Track Brief: Haiti Country Assistance Evaluation, 19 October 2001.

[5] Ibid.